



# Cumbria Office of the Police and Crime Commissioner

## Title: Revenue Budget and Medium Term Financial Forecast (MTFF)

Police and Crime Panel: 11 February 2020

Report of the Joint Chief Finance Officer

Originating Officers: Michelle Bellis, Deputy Chief Finance Officer and  
Mark Carter, Financial Services Manager

### 1. Introduction

- 1.1. The purpose of this report is to provide a detailed analysis of the figures contained within the revenue budget for 2020/21 and the MTFF to 2023/24.
- 1.2. The report provides more detailed analysis of the budgets for 2020/21 together with comparative information from the 2019/20 approved budget.
- 1.3. The report also provides additional information in respect of the more unusual aspects of the budget and explanations where the budgets have changed significantly between the years.
- 1.4. The overall revenue budget and MTFF position is summarised in **Appendix A**. Further analysis is provided in supporting appendices (B and C) which are cross referenced from the main appendix.

## Appendix A

### Revenue Budget & Medium Term Financial Forecast to 2023/24

Description	Supporting Schedule	2019/20 £'s	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'s
Commissioner's Budgets	Appendix B	(15,174,468)	(19,861,470)	(19,718,789)	(13,453,112)	(15,747,730)
Constabulary Funding	Appendix C	124,481,433	132,307,599	137,473,271	135,444,062	138,280,558
Movement to /(from) Revenue Reserves	Note 1	(1,402,831)	(846,646)	(14,420)	68,206	6,386
Movement to /(from) Capital Reserves	Note 1	(4,162,275)	0	(1,575,000)	(2,425,000)	0
<b>Net Expenditure</b>		<b>103,741,858</b>	<b>111,599,483</b>	<b>116,165,061</b>	<b>119,634,156</b>	<b>122,539,214</b>
<b>Funding</b>						
Formula Grants/Funding	Note 2	(59,942,966)	(65,829,188)	(64,898,166)	(67,002,866)	(67,002,866)
Council Tax	Note 3	(43,798,892)	(45,770,294)	(47,974,705)	(50,255,926)	(52,648,004)
<b>Net Deficit / Savings Requirement</b>		<b>0</b>	<b>0</b>	<b>3,292,191</b>	<b>2,375,364</b>	<b>2,888,343</b>

Note 1 – More information on reserves will be provided to the February meeting of the Police and Crime Panel as part of the precept proposal report (see agenda item 07e).

Note 2 – The funding settlement for formula funding was announced on 22 January 2020. The funding allocated for 2020/21 included a 7.57% increase on 2019/20 levels, this increase provided is to provide funding for the additional police officers and ancillary costs to be provided as part of the Government's increase known as "operation uplift". The funding settlement provided for 2020/21 was again a 'one year' settlement, it is anticipated that during 2020/21 a comprehensive spending review will be carried out and this will inform grant levels for future years. At this stage, it has been assumed that the core funding figure included in the draft settlement for 2020/21 will continue to be maintained on a flat cash basis for the remainder of the MTF.

Note 3 – The council tax figures assume that the council tax base will increase by 0.75% per annum. The figures also assume council tax precept rises of £8.91 (3.47%) per band D property for 2020/21 and then 4% per annum (around £11 per annum) for the final 3 years of the MTF, all of which are subject to consultation.

## Appendix B

### Commissioner's Budgets

The Commissioner's budgets include commissioned services and a number of other technical statutory accounting adjustments. The budget can be analysed as follows:

Description	Paragraph	2019/20 £'s	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'s
Commissioner's Office	B1	749,008	811,897	831,187	850,944	871,183
Commissioned Services	B2	2,244,773	2,249,590	2,249,590	2,249,590	2,249,590
Premises Related Costs	B3	4,310,486	4,452,921	4,558,171	4,666,436	4,779,821
Insurances	B4	600,939	622,104	637,704	648,904	660,404
LGPS Past Service Cost	B5	503,400	22,300	22,800	23,400	24,000
Provision for Insurance liability	B6	105,500	105,500	105,500	105,500	105,500
Statutory Accounting Adjustments	B7	360,721	89,023	89,023	89,023	89,023
Capital Financing	B8	7,003,848	4,592,925	6,161,732	7,005,573	4,574,441
Grants & Contributions	B9	(30,888,143)	(32,667,730)	(34,259,496)	(28,977,482)	(28,986,692)
Interest/investment Income	B10	(165,000)	(140,000)	(115,000)	(115,000)	(115,000)
<b>Total</b>		<b>(15,174,468)</b>	<b>(19,861,470)</b>	<b>(19,718,789)</b>	<b>(13,453,112)</b>	<b>(15,747,730)</b>

#### B1. Commissioner's Office

The budget for the Commissioner's office includes funding for the Commissioner plus his office comprising of 12.7 FTEs. The pay budget has been increased by pay inflation at 2.5% throughout the MTFF and the non-pay budgets in general have been subject to an increase of 2%.

#### B2. Commissioned Services

The commissioned services budget provides for the Commissioner's statutory responsibilities across the areas of victim support, community safety and enhancing criminal justice. It is funded by a combination of ministry of justice grants, successful Home Office innovation funding bids and base budget. Following the devolution of responsibility for local provision of victim's services from 2015/16, this budget now funds a full programme of commissioned services targeted at crime prevention and victim support. This includes victims referral, independent domestic and sexual violence advisory and counselling services (including The Bridgeway), Turning the Spot Light Restorative Justice, perpetrator programmes e.g. Restorative Solutions and education programs including Chelsea's Choice and Young Cumbria.

**B3. Premises Related Costs**

The Commissioner is statutorily responsible for and owns the police estate. The Chief Constable manages the estate on behalf of the Commissioner. The estate is comprised of police headquarters at Carleton Hall, larger police stations which include custody facilities, smaller police stations and a small number of residual police houses. The premises budget can be analysed as follows:

Description	Paragraph	2019/20 £'s	2020/21 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Property Repairs & Maintenance	A	853,490	831,272	(22,218)	-2.60%
Utilities	B	1,098,683	1,121,856	23,173	2.11%
Rent & Rates	C	1,684,193	1,723,270	39,077	2.32%
Cleaning & Domestic Supplies	D	587,952	685,590	97,638	16.61%
Other Premises Costs	E	86,168	90,933	4,765	5.53%
<b>Total</b>		<b>4,310,486</b>	<b>4,452,921</b>	<b>142,435</b>	<b>3.30%</b>

## Notes:

This table provides a split of the premises budget by subjective heading. A brief summary of items included within each heading is provided below.

- A. **Property Repair & Maintenance** includes both planned and reactive maintenance and grounds maintenance. Property repair and maintenance costs are based on a schedule of planned maintenance and are showing a slight reduction compared with the budget set for 2019/20.
- B. **Utilities** includes gas, electricity, water and heating oil charges. Costs are showing increased costs as a result of increases in contract prices which are currently being experienced.
- C. **Rent and Rates** includes business rates (NNDR), property leases, room hire charges and PFI occupancy charges for the PFI building at Workington.
- D. **Cleaning and Domestic Supplies** includes building cleaning, window cleaning, refuse collection and clinical waste collection services. This increase in this category is largely as a result contract increases as a result of the impact of the living wage.
- E. **Other Premises Costs** include fire and security equipment maintenance, legal and valuation fees.

The Commissioner's estate had an accounting value of £54m at 31/03/2019

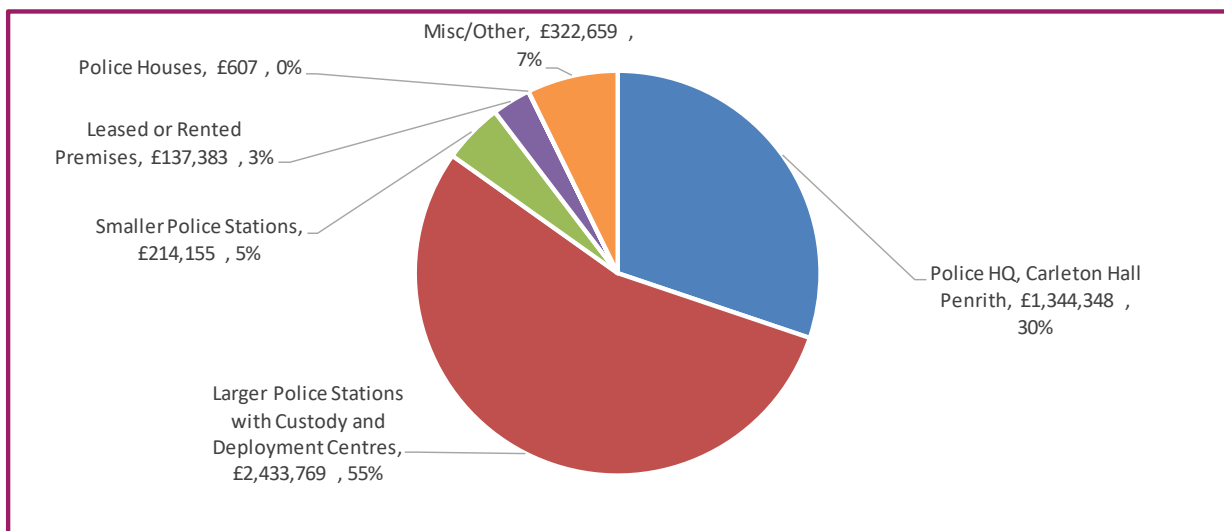
An analysis of premises budgets by category of premises is provided below:

Description	2020/21 Budget £	2020/21 Budget %
Police HQ, Carleton Hall Penrith	1,344,348	30%
Larger Police Stations with Custody and Deployment Centres	2,433,769	55%
Smaller Police Stations	214,155	5%
Leased or Rented Premises	137,383	3%
Police Houses	607	0%
Misc/Other	322,659	7%
<b>Total</b>	<b>4,452,921</b>	<b>100%</b>

This table provides a split of the premises budget by category of premises. From the table and the chart below it can be seen that Police HQ and the 6 main deployment centres account for 85% of the total budget. The table overleaf provides a split of each category over individual premises.

Police House – The PCC/Constabulary has one remaining police house in Kendal which is due to become surplus to requirements in 2021.

The chart below illustrates this graphically:



The following page includes a split of the premises budget on a site by site basis.

## Premises Related Expenditure Budget 2020/21 on Site by Site Basis

Property	Property Repairs & Maintenance	Utilities	Rent & Rates	Cleaning & Domestic Supplies	Other Premises Costs	Grand Total	Percentage of Total
	£	£	£	£	£	£	%
<b>Police HQ, Carleton Hall Penrith</b>							
Headquarters : Carleton Hall Penrith	353,067	518,899	240,017	215,924	16,441	<b>1,344,348</b>	<b>30%</b>
	<b>353,067</b>	<b>518,899</b>	<b>240,017</b>	<b>215,924</b>	<b>16,441</b>	<b>1,344,348</b>	<b>30%</b>
<b>Larger Police Stations with Custody and Deployment Centres</b>							
Barrow : Andrews Way	59,687	128,067	176,264	85,657	2019	<b>451,694</b>	<b>10%</b>
Carlisle : Durranhill	66,093	176,802	307,332	101,388	2,263	<b>653,878</b>	<b>15%</b>
Leaning & Development Centre	26,000	76,000	84,000	64,000	0	<b>250,000</b>	<b>6%</b>
Kendal : Busher Walk	87,520	61,015	104,406	67,229	2,004	<b>322,174</b>	<b>7%</b>
Whitehaven : Scotch Street	57,250	39,286	54,180	25,281	1,043	<b>177,040</b>	<b>4%</b>
Workington : Hall Brow	14,050	469	558,669	5,795	0	<b>578,983</b>	<b>13%</b>
	<b>310,600</b>	<b>481,639</b>	<b>1,284,851</b>	<b>349,350</b>	<b>7,329</b>	<b>2,433,769</b>	<b>55%</b>
<b>Smaller Police Stations</b>							
Ambleside	1,798	3,326	3,795	1,174	106	<b>10,199</b>	<b>0%</b>
Appleby	9,027	11,266	6,991	7,853	159	<b>35,296</b>	<b>1%</b>
Brampton	25,600	11,024	7,554	9,416	159	<b>53,753</b>	<b>1%</b>
Cockermouth (Allerdale Rural)	10,865	12,237	16,230	8,806	1,114	<b>49,252</b>	<b>1%</b>
Kirkby Stephen	2,271	1,270	1,398	2,268	162	<b>7,369</b>	<b>0%</b>
Lake Road Hostel, Windermere	1,639	1,657	1,872	0	0	<b>5,168</b>	<b>0%</b>
Longtown	2,523	8,186	6,617	3,753	1,262	<b>22,341</b>	<b>1%</b>
Windermere	4,343	8,009	7,017	10,667	741	<b>30,777</b>	<b>1%</b>
	<b>58,066</b>	<b>56,975</b>	<b>51,474</b>	<b>43,937</b>	<b>3,703</b>	<b>214,155</b>	<b>5%</b>
<b>Leased or Rented Premises</b>							
Alston : The Topps	1,280	3,321	3,264	1,864	0	<b>9,729</b>	<b>0%</b>
Askham-in-Furness : Community Portacabin	0	940	310	0	0	<b>1,250</b>	<b>0%</b>
Carlisle : Shadygrove Road	1,182	6,154	11,380	4,017	275	<b>23,008</b>	<b>1%</b>
Dalton-in-Furness : Drill Hall	0	0	4,488	1,231	0	<b>5,719</b>	<b>0%</b>
Keswick Town Hall	0	0	3,846	0	0	<b>3,846</b>	<b>0%</b>
Millom : Network Centre	0	0	7,985	821	0	<b>8,806</b>	<b>0%</b>
Sedbergh : CIO 72 Main Street	273	0	2,448	0	0	<b>2,721</b>	<b>0%</b>
Specialist Services Accommodation	4,103	9,192	44,800	2,614	1,722	<b>62,431</b>	<b>1%</b>
Ulverston Business Centre Offices	0	0	11,713	0	0	<b>11,713</b>	<b>0%</b>
Wigton : Innovia Suite	0	0	8,160	0	0	<b>8,160</b>	<b>0%</b>
	<b>6,838</b>	<b>19,607</b>	<b>98,394</b>	<b>10,547</b>	<b>1,997</b>	<b>137,383</b>	<b>3%</b>
<b>Police Houses</b>							
16 Hillswood Avenue, Kendal (to 2021)	607	0	0	0	0	<b>607</b>	<b>0%</b>
	<b>607</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>607</b>	<b>0%</b>
<b>Misc/Other</b>							
Carlisle : Northern Traffic Unit	11,475	31,712	17,853	7,647	979	<b>69,666</b>	<b>2%</b>
Estate & Facilities - Forcewide	90,619	13,024	29,583	58,185	60,484	<b>251,895</b>	<b>6%</b>
Kendal Calling	0	0	1,098	0	0	<b>1,098</b>	<b>0%</b>
	<b>102,094</b>	<b>44,736</b>	<b>48,534</b>	<b>65,832</b>	<b>61,463</b>	<b>322,659</b>	<b>7%</b>
<b>Total</b>	<b>831,272</b>	<b>1,121,856</b>	<b>1,723,270</b>	<b>685,590</b>	<b>90,933</b>	<b>4,452,921</b>	<b>100%</b>

**B4. Insurances**

During 2016/17 the Commissioner and Constabulary retendered and awarded long term agreements in respect of insurance which ran until 31 October 2019 with an option to extend for a further 2 years to 31 October 2021 which has been exercised. On an annual basis insurance policies are renewed based on current data. The increase in premiums between 2019/20 and 2020/21 in the main reflects an increase in the motor premium applied by the insurer.

**B5. Local Government Pension Scheme (LGPS) Past Service Cost**

For the LGPS (police staff and PCSOs) the PCC/Constabulary are required to pay past service contributions with the aim to reduce the pensions' deficit over the next 13 years. The amount paid is based on a calculation by the scheme actuary following an actuarial valuation of pension liabilities which is carried out on a three yearly basis. The most recent valuation was undertaken on 31 March 2019 and has provided an increase in the contribution rates (from 15.4% to 18.4%) and a reduced deficit reduction payment, both of which take effect from 1 April 2020. The next actuarial valuation will take place on 31 March 2022 with any new rates becoming effective from 1 April 2023.

**B6. Provision for Insurance Liability**

The Commissioner makes an annual contribution to a provision for insurance liabilities. The provision covers costs associated with claims below the insurance policy excess levels and is based on a biennial actuarial valuation of those liabilities. The next review is due to take place in March 2020.

**B7. Statutory Accounting Adjustments**

Statutory accounting adjustments relate to the mechanism by which capital grants are received through the revenue budget and are then transferred to capital grants unapplied until these are utilised to fund the capital programme. The capital grant received from the home office in 2019/20 amounted to £372k, the funding settlement for 2020/21 sees this figure reduced to £100k (a reduction of 73%).

**B8. Capital Financing**

Capital financing includes the following items:

Description	Paragraph	2019/20 £'s	2020/21 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Direct Revenue Contributions (DRC)	A	1,771,608	3,424,299	1,652,691	93.29%
DRC - Use of Capital Reserves	B	4,162,275	0	(4,162,275)	-100.00%
Minimum Revenue Provision	C	486,384	606,265	119,881	24.65%
Private Finance Initiative (PFI) Interest	D	583,581	562,361	(21,220)	-3.64%
<b>Total</b>		<b>7,003,848</b>	<b>4,592,925</b>	<b>(2,410,923)</b>	<b>-34.42%</b>

Notes:

- A. The Commissioner makes annual contributions from the revenue budget to the funding of the capital programme. The annual contribution is currently set at £3.4m for 2020/21 which represents a significant increase from 2019/20 when it was £1.7m. The additional level of contributions are intended to make the capital programme sustainable over the medium term. Additional contributions from partner organisations for specific aspects of the capital programme (e.g. CCTV, Sellafield vehicles) are also included in this line.
- B. The Commissioner holds a number of reserves that have been earmarked for specific capital purposes. When these are applied to fund the capital programme the mechanism is for these to be cycled through the revenue budget. There is a corresponding opposite entry contained within the movements to/from reserves line. The budget is showing no capital reserve drawdown for 2020/21 as the majority of capital reserves have been fully utilised in 2019/20, the exception being the reserve for the west Cumbria estate which is scheduled to be used in 2021/22 and 2022/23.
- C. The Commissioner has an underlying need to borrow which is known as the Capital Financing Requirement (CFR). In order to ensure that budget proposals are prudent, the Commissioner is statutorily required to make a Minimum Revenue Provision (MRP). The MRP can be likened to making the minimum payment on a credit card.
- D. The Commissioner has a 25 year PFI agreement in respect of the West TPA HQ at Workington. The arrangements for accounting mean that the interest element of the annual unitary charge made by the PFI provider is treated as capital financing. The PFI arrangement was entered into in 2001 and is due to expire in August 2026.



## B9. Grants & Contributions

The Commissioner receives a number of grants and contributions from central Government bodies and other partner organisations. The majority of this income is in respect of the pensions top up grant received from the Home Office. The table below provides an analysis of the budgeted income for 2020/21 with comparatives for 2019/20.

Description	Paragraph	2019/20 £'s	2020/21 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Home Office - Police Pension Top Up	A	(22,915,000)	(24,923,000)	(2,008,000)	8.76%
Additional Pensions Grant	B	(1,200,000)	(1,174,465)	25,535	-2.13%
Home Office - Other	C	(288,317)	(349,626)	(61,309)	21.26%
DCLG Grant - PFI Grant		(687,708)	(687,708)	0	0.00%
DCLG Grant - Council Tax Freeze Grant		(857,812)	(857,812)	0	0.00%
DCLG Grant - Council Tax Support Grant		(3,991,947)	(3,991,947)	0	0.00%
Ministry of Justice	D	(575,661)	(583,172)	(7,511)	1.30%
Home Office - Non Specific Capital Grant	E	(371,698)	(100,000)	271,698	-73.10%
<b>Total</b>		<b>(30,888,143)</b>	<b>(32,667,730)</b>	<b>(1,779,587)</b>	<b>5.76%</b>

### Notes:

- A. This is the estimated amount that will be received from the Home Office in respect of the police Pensions Top-up grant. As it represents grant funding it is shown in the grant income receivable by the Commissioner.

The police officer pension scheme is an unfunded pension scheme which means that there are no assets held by the pension scheme to cover liabilities. The constabulary operates a Pension Fund Account for police pensions into which contributions from current serving police officers are paid (contribution rates between 11% and 15.05%) together with contributions from the constabulary as employer (at 31%). From this fund, pension payments to former police officers are made. The net balance on this pension fund account is a deficit and the Commissioner receives a Pensions Top-up Grant from the Home Office to balance the fund. The transfer of this grant to the police pension fund account is shown within the constabulary funding section below (see C2).

- B. In 2020/21 the Constabulary has received an additional grant of £1.2m to offset part of the increased costs of pensions. For the purposes of financial planning, it has been assumed that this grant will continue for the remainder of the MTFF.

- C. The increase in Home Office Grant Other income reflects the increase in specific funding which offsets the additional cost of the Constabulary’s Disclosure and Barring Service.
- D. The Ministry of Justice grant is in respect of victims services including restorative justice.
- E. The Home Office Non Specific Capital Grant forms part of the annual funding settlement from the Home Office. The figure for 2020/21 is £100k and represents a significant reduction on the amount received for 2019/20 of £372k.

**B10. Interest/Investment Income**

The Commissioner invests surplus funds until these are required to fund operational requirements with financial institutions in accordance with the investment strategy (approved in February each year as part of his Treasury Management Strategy). The current forecast for investment income is based on the forecast sums available for investment and the most likely interest rate that will be achieved on those investments. The forecast income is relatively low due to the historically low bank base rate which was increased in August 2018 to 0.75% from its previous level of 0.50% which was set in November 2017.

Interst Rate Forecast	2019/20 £'s	2020/21 £'s	2021/22 £'s	2022/23 £'S	2023/24 £'s
Quarter 1	0.75%	0.75%	1.00%	1.25%	1.25%
Quarter 2	0.75%	0.75%	1.00%	1.25%	1.25%
Quarter 3	0.75%	0.75%	1.00%	1.25%	1.25%
Quarter 4	0.75%	1.00%	1.00%	1.25%	1.25%

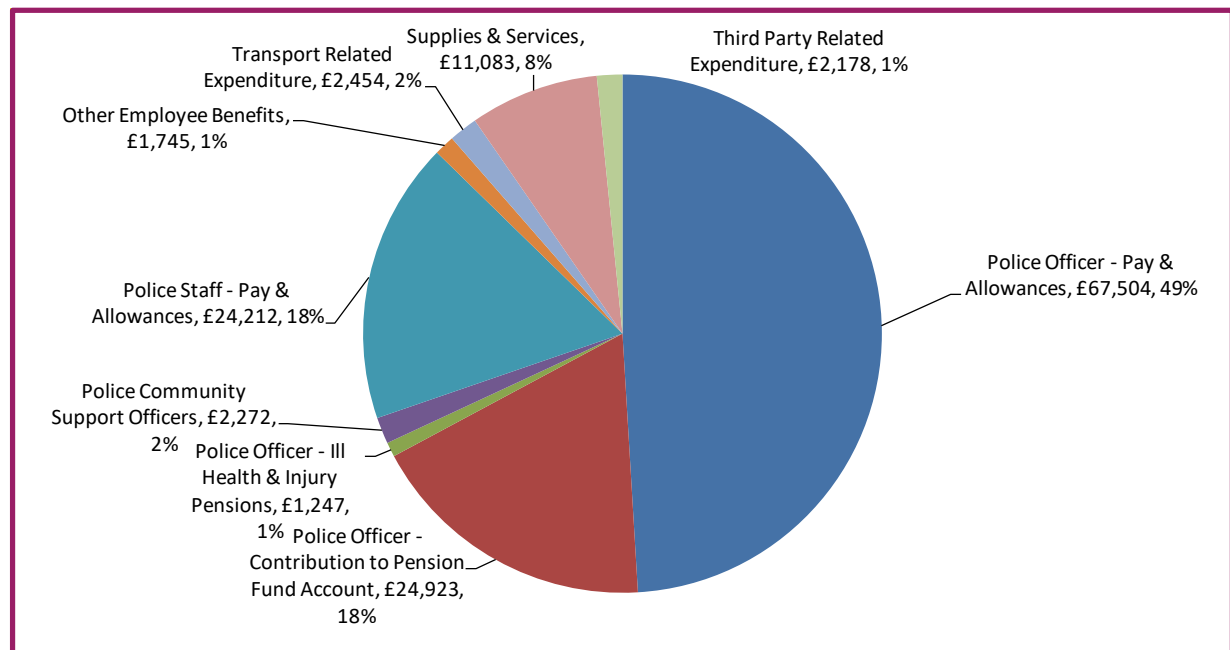
The reduction in forecast income during for future years reflects the assumed reduction as a result of a reduction in overall balances available for investment as capital reserves are depleted.

## Appendix C

### Constabulary Funding

The largest portion of expenditure for the Commissioner (£138m in 2020/21) relates to funding provided to the Chief Constable by way of the funding arrangement. The funding provided by the Commissioner is set out in the table below and is analysed into subjective headings. More detailed analysis of the subjective headings is provided in the sections below (see C1-C10).

Description	Paragraph	2019/20 £'s	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'s
Police Officer - Pay & Allowances	C1	63,979,207	67,504,354	69,640,508	71,886,082	73,548,987
Police Officer - Contribution to Pension Fund Account	C2	22,915,000	24,923,000	26,506,000	21,215,000	21,215,000
Police Officer - Ill Health & Injury Pensions	C3	1,211,319	1,246,534	1,271,465	1,296,895	1,322,833
Police Community Support Officers	C4	2,738,236	2,272,442	3,494,714	3,562,082	3,631,135
Police Staff - Pay & Allowances	C5	22,496,766	24,211,884	24,049,604	24,699,845	25,478,342
Other Employee Benefits	C6	1,341,001	1,745,039	1,933,362	1,966,677	1,976,611
Transport Related Expenditure	C7	2,292,794	2,453,549	2,524,137	2,597,347	2,673,157
Supplies & Services	C8	10,529,007	11,082,701	11,101,536	11,323,567	11,550,039
Third Party Related Expenditure	C9	2,188,724	2,178,139	2,221,702	2,266,137	2,311,460
<b>Gross Constabulary Expenditure</b>		<b>129,692,054</b>	<b>137,617,643</b>	<b>142,743,028</b>	<b>140,813,632</b>	<b>143,707,564</b>
Income	C10	(5,210,621)	(5,310,044)	(5,269,757)	(5,369,570)	(5,427,006)
<b>Net Constabulary Funding</b>		<b>124,481,433</b>	<b>132,307,599</b>	<b>137,473,271</b>	<b>135,444,062</b>	<b>138,280,558</b>



Constabulary Gross Expenditure of £138m in 2020/21  
(figures in £000s)

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In overall terms expenditure has increased from £129.7m in 2019/20 to £137.8m in 2020/21, an increase of £8.1m. Of the increase, £5.2m relates to increased police officer and police staff pay through a combination of increases in numbers as part of operation uplift and pay awards at a forecast 2.5%, police pensions £2m, with the balance being due to pay inflation /price inflation at around 2% per annum.

### **C1. Police Officer Pay and Allowances**

Police officer pay and allowances account for the majority (49%) of the Constabulary budget. The budget is based on the current workforce plan. The budget for 2020/21 is based on a forecast 51 FTE increase in police officer numbers as part of operation uplift. Members will recall that the establishment for police officers was previously increased by 25 officers in 2018/19 from 1120 to 1145 and then by 20 officers to 1165 in 2019/20. The pay budgets for Police Officers assume a 2.5% pay award each September over the life of the MTF.

### **C2. Contribution to the Police Pension Fund Account**

The Police Officer pension scheme is an unfunded pension, scheme which means that there are no assets held by the pension scheme to cover liabilities. The constabulary operates a Pension Fund Account for police pensions into which contributions from current serving police officers are paid (contribution rates between 11% and 15.05%) together with contributions from the constabulary as employer at 31%). From this fund, pension payments to former police officers are made. The net balance on this pension fund account is a deficit and the Commissioner receives a Pensions Top-up Grant from the Home Office to balance the fund. This line within the constabulary budget reflects the constabulary's contribution to the pension fund account to meet this deficit. The grant itself is recorded within the Commissioner's budgets (see Appendix B, line B10).

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**C3. Ill Health & Injury Pensions**

The Constabulary has to meet the pension payments of police officers who have been required to be retired on an ill health or injury basis. The budget is made up of two main elements:

- Injury Allowance of £766k, this represents the initial lump sum and ongoing pension payments made to officers who have been retired as a result of an injury on duty.
- Ill Health pension capital equivalent charge £481k. When the constabulary is required, under police pension regulations, to retire an officer on ill health grounds, the constabulary has to meet a capital equivalent charge, this charge is equivalent to 2 years pay (approx. £80k). The budget is based on the assumption that there will be six ill health retirements per year.

All other pension payments are met by the Pension Fund Account (see above) which is funded from in year officer and employer contributions plus a top up grant from the Home Office.

**C4. Police Community Support Officers**

The budget for Police Community Support Officers accounts for 2% of the constabulary budget and is based on an establishment of 95 FTE posts. The budget recognises that under the workforce plan numbers of PCSOs are likely to operate below the establishment as PCSOs leave to join the regulars. The pay budgets for PCSOs assume a 2.5% pay award each September over the life of the MTFF.

**C5. Police Staff**

Police staff pay and allowances account for 18% of the Constabulary budget. Police staff budgets are based on the current workforce plan. The figures have increased between 2019/20 and 2020/21 through a combination of pay awards, annual increments and revised pension contributions following the tri-ennial revaluation of the Local Government Pension Scheme. The pay budgets for Police Staff assume a 2.5% pay award each September over the life of the MTFF. There has also been a small increase in enabling police staff posts to support Operation Uplift.

## C6. Other Employee Benefits

The other employee benefits budget covers a mix of individual budget lines. These budgets have been subject to an inflationary increase of 2.0% in the main. The proposed other employee benefits budget for 2020/21 and a comparison with that of 2019/20 is shown in the table below:

Description	Paragraph	2019/20	2020/21	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Temporary & Agency Staff	A	50,218	50,305	87	0.17%
Staff & Officer Recruitment Costs	B	67,980	79,633	11,653	17.14%
Staff Welfare Costs	C	215,772	256,986	41,214	19.10%
Employee Insurance		6,776	8,203	1,427	21.06%
Police Staff Pension Additional Payments	D	66,119	67,441	1,322	2.00%
Training & Conferences Expenditure	E	622,016	961,471	339,455	54.57%
Apprenticeship Levy	F	312,120	321,000	8,880	2.85%
<b>Total</b>		<b>1,341,001</b>	<b>1,745,039</b>	<b>404,038</b>	<b>30.13%</b>

Notes:

- A. The Temporary and Agency staff budget provides funding to cover the incremental cost associated with providing temporary resources to cover in instances of parental leave or long term sickness.
- B. The increase in respect of staff an officer recruitment costs reflects the increase in levels of recruitment forecast in 2020/21 in response to the Governments initiative to increase national police officer numbers by 20,000 which is known as 'operation uplift'.
- C. The increase in staff welfare costs in 2020/21 again reflects increases in relation to operation uplift. Staff welfare costs include, counselling, physiotherapy, ergonomists and other medical fees and tests.
- D. Additional pension payments relate to historic pensions costs in respect of former employees who have retired early.
- E. The increase in training and conferences reflects increased demands for training as a result of operation uplift, increases operational training, and costs associated with the implementation of the police education qualification framework (PEQF). PEQF will require all police officer recruits to have a degree or join as an apprentice from January 2020.
- F. The apprenticeship levy was introduced on 1 April 2017 and is set at 0.5% of the pay budget. The levy is paid into an electronic account and can be used to offset training costs.

## C7. Transport Related Budgets

Expenditure on transport budgets accounts for approximately 2% of Constabulary expenditure. The transport budgets have been uplifted for inflation at a rate of 2% in the main, the exception being fuel which has been increased by 5%. The proposed transport related budget for 2020/21 and a comparison with that of 2019/20 is shown in the table below:

Description	Paragraph	2019/20 £'s	2020/21 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Vehicle Repair & Maintenance	A	724,813	784,714	59,901	8.26%
Vehicle Fuel	B	1,030,148	1,076,121	45,973	4.46%
Vehicle Contract Hire & Operating Leases	C	212,657	252,217	39,560	18.60%
Car Allowances & Travel Expenses		287,782	298,878	11,096	3.86%
Transport Other		37,394	41,619	4,225	11.30%
<b>Total</b>		<b>2,292,794</b>	<b>2,453,549</b>	<b>160,755</b>	<b>7.01%</b>

### Notes:

- A. The vehicle repairs and maintenance budget covers the routine servicing and maintenance of the constabulary vehicle fleet. The budget also covers the costs of repairing accidental vehicle damage where this falls below the insurance excess.
- B. The vehicle fuel budget has increased. The budgets for 2020/21 have been rebased to reflect the current level of activity and fuel prices. In addition, fuel prices are expected to continue to rise and as a result a higher inflation rate of 5% has been applied to the vehicle fuel budget.
- C. Vehicle Hire costs have steadily increased over the past few years. The increases in part relate to the cost of car hire associated with training. The implementation of the travel desk has improved decision making around the most cost effective means of travel.

The vehicle fleet consists of 282 vehicles and can be broadly categorised as follows:

Fleet Summary	Number of vehicles in category
Covert	14
Neighbourhood Policing	92
Specialist Vehicles	28
Dog Vehicles	10
Motor Cycles	8
Pool Cars	29
Protected personnel Carriers	9
Roads Policing Vehicles	19
Crime Command	39
Crime Scene Investigators	10
Garage	6
Chief Officers Pool	2
Boat	1
Rechargeable Vehicles	15
<b>Total Fleet Vehicles</b>	<b>282</b>

Fleet vehicle replacements are provided through the capital programme. The current 10 year capital programme for fleet replacements amounts to £15m

Cumbria has 4,784 miles of roads of which 76 are motorway.

Cumbria officers check on average 125 thousand vehicles per year.

The vehicle fleet travels approximately 5.3 million miles per year (reduced from 6.8m in 2010/11).





**C8. Supplies & Services**

Expenditure on supplies & services accounts for approximately 8% of Constabulary budgets. The majority of budgets have been increased for general inflation at 2%.

Description	Paragraph	2019/20 £'s	2020/21 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Office Equipment, Furniture & Materials		223,921	234,721	10,800	4.82%
Catering Services		195,063	186,562	(8,501)	-4.36%
Clothing, Uniform & Laundry	A	519,516	489,811	(29,705)	-5.72%
Custody Costs	B	157,966	226,565	68,599	43.43%
Forensics Costs	C	834,725	856,869	22,144	2.65%
Investigative Expenses		102,439	101,324	(1,115)	-1.09%
Police Doctors & Surgeons		1,359,522	1,372,818	13,296	0.98%
Interpreters & Translators		46,100	47,022	922	2.00%
Communications & Computing	D	5,074,497	5,269,431	194,934	3.84%
Members Allowances & Expenses		7,931	8,993	1,062	13.39%
Other Supplies & Services	E	1,908,016	2,194,495	286,479	15.01%
Printing Recharges		75,011	72,290	(2,721)	-3.63%
Catering Recharges		24,300	21,800	(2,500)	-10.29%
<b>Total</b>		<b>10,529,007</b>	<b>11,082,701</b>	<b>553,694</b>	<b>5.26%</b>

Notes:

- A. The budget for clothing uniform and laundry has reduced as a result of the changes to the planned profile of specialist training courses and the recruitment of police officers, specials and PCSOs.
- B. The budget for custody costs has increased as a result of an increase in the use of the appropriate adult service due to a change in guidance which means that more detainees are being classed as vulnerable and therefore need to be provided with an appropriate adult.
- C. The budget for Forensics has increased due to an increase in the national charge for Livescan (fingerprints system).
- D. Communications and Computing costs have increased as a result of various changes to the provision of ICT across the force including the one-off dual running costs associated with the implementation of new human resourcing, finance and procurement and duties management systems.
- E. Other Supplies and Services includes a variety of budget lines including accommodation and subsistence, legal costs, subscriptions, audit fees, operational equipment and accommodation, consultancy and efficiency savings.

**C9. Third Party Related**

Expenditure on third party payments accounts for just 1% of overall Constabulary funding and covers a wide range of items.

Description	Paragraph	2019/20 £'s	2020/21 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Collaborations & Co-Working		315,448	321,812	6,364	2.02%
Outsourced Services	A	147,003	188,426	41,423	28.18%
Collaboration Payments	B	906,719	839,992	(66,727)	-7.36%
Police National Computer / Database		477,405	477,271	(134)	-0.03%
Other Third Party Payments	C	342,149	350,638	8,489	2.48%
<b>Total</b>		<b>2,188,724</b>	<b>2,178,139</b>	<b>(10,585)</b>	<b>-0.48%</b>

## Notes:

- A. The increase in the Outsourced Services budget relates to increases in contract pricing due to contract extensions.
- B. The reduction in collaboration payments relates to the cessation of the training collaboration with Lancashire, rebasing of the cost of North West ROCU and an increase in the cost of regional disaster victim identification (DVI) collaboration.
- C. The increase in other third party payments is due to changes in budget across a number of commitments both nationally and regionally.

**C10. Income**

The Constabulary receives a relatively small amount of income each year, just 4% when compared with Constabulary gross expenditure. The majority of income budgets have been increased for general inflation at 2%.

Description	Paragraph	2019/20	2020/21	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Local Government Funding - Specific Partnership	A	(116,018)	(136,742)	(20,724)	17.86%
Sale of Assets & Goods		(280,751)	(286,228)	(5,477)	1.95%
Fees & Charges - Public Fees	B	(206,359)	(315,545)	(109,186)	52.91%
Fees & Charges - Rental & Hire Charges		(26,259)	(25,940)	319	-1.21%
Fees & Charges - General	C	(1,144,641)	(1,154,067)	(9,426)	0.82%
Private Hire - Single & Recurring Events	D	(650,550)	(172,550)	478,000	-73.48%
Inter Force Reimbursements Incl. Collaboration	E	(256,013)	(350,001)	(93,988)	36.71%
Reimbursed Services - Other Public Bodies	F	(1,063,310)	(1,601,147)	(537,837)	50.58%
Transport Trading Income		(2,121)	(2,163)	(42)	1.98%
General Trading Income	G	(409,197)	(463,144)	(53,947)	13.18%
Contributions & Reimbursements by Staff		(1,750)	(1,784)	(34)	1.94%
Proceeds of Crime		(120,796)	(123,212)	(2,416)	2.00%
Reimbursements of Licence Expenditure		(13,525)	(15,300)	(1,775)	13.12%
Sources of Income from Other Forces	H	(799,822)	(551,623)	248,199	-31.03%
Internal Recharges Income - Printing		(95,509)	(86,598)	8,911	-9.33%
Internal Recharges Income - Catering		(24,000)	(24,000)	0	0.00%
<b>Total</b>		<b>(5,210,621)</b>	<b>(5,310,044)</b>	<b>(99,423)</b>	<b>1.91%</b>

## Notes:

- A. Specific partnership funding has increased largely as a result of specific funding to cover the costs of a modern slavery co-ordinator post.
- B. The increase in relation to fees and charges public fees line relates to the cyclical nature of firearms licencing income, which follows a 5 year renewal cycle.
- C. The increase in fees and charges general income is as a result of administration charges on new secondments out of force.
- D. The reduction in single and recurring events is as a result of this budget being re-based in respect of specialist policing operations to the level of anticipated income for the 2020/21 financial year. This budget includes specialist policing services in respect of events such as football matches, Kendal Calling and escorting abnormal loads.

- E. The increase in respect of inter force collaboration is partially a result of specific funding received to cover the costs of additional Counter Terrorism posts.
- F. The increase in income in respect of reimbursed services other public bodies, is largely as a result of income to cover the costs of new secondments out of force to other public bodies.
- G. The increase in General Trading Income relates to the forecast income we will receive as a supporting training provider for the new Policing Education Qualification Framework (PEQF).
- H. The reduction of income from other forces is largely due to a reduction in the number of officers and staff seconded out to other forces.